

Message Text

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E.O. 11652: N/A
TAGS: BEXP, NI
SUBJECT: LAGOS INTERNATIONAL FAIR

REF: (A) STATE 91431, (B) USDOC 6889, (C) LAGOS 3948

1. EMBASSY PLEASED TO RECEIVE REF (A) AND WILL ATTEMPT RECRUIT GOOD FIRMS. WE PRESUME OUR EFFORTS ARE NOT TO BE LIMITED TO COMPANIES WITH SUBSIDIARIES IN NIGERIA. EMBASSY HAS NOT VIEWED SUBSIDIARIES AS OFFERING THE MOST PROMISE FOR PARTICIPATION IN USDOC PAVILION. BEST POTENTIAL WOULD APPEAR TO BE WITH COMPANIES WHICH TRYING TO PENETRATE MARKET BUT HAVE NOT YET ESTABLISHED SUBSIDIARY HERE. AS MOST FIRMS IN THIS CATEGORY HAVE ALREADY MADE ONE OR MORE SALES IN NIGERIA AND/OR HAVE A LOCAL AGENT, FEW INTERESTED COMPANIES CONFORM TO USDOC NEW-TO-EXPORT (NTE) OR NEW-TO-MARKET (NTM) DEFINITION, BUT USDOC SHOULD NOTE THAT WE DO NOT BAR SUCH FIRMS FROM COMMERCE PAVILION AT THE FAIR. THE ESSENTIAL POINT IS THAT WE WELCOME ANY WORTHY US FIRM WHOSE PRODUCTS ARE SUITABLE FOR EXHIBITION. WE TRUST THAT COMMERCE WILL DO LIKEWISE. AS MOST COMPANY REPRESENTATIVES WITH WHOM WE HAVE CONTACT ARE NOT AUTHORIZED TO MAKE FINAL DECISIONS ON PARTICIPATION, WE ARE ADVISING THEM TO HAVE THEIR US HEADQUARTERS CONTACT COMMERCE AND STATE.

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2. IN CONTRAST TO REF (A) WE WERE SURPRISED AND DISAPPOINTED BY REF (B), A MESSAGE SENT THROUGH USDOC CHANNELS WITHOUT COORDINATION WITH STATE. AS PREPARATIONS FOR US INVOLVEMENT IN FAIR NECESSITATE CLOSE TEAMWORK AND UNDERSTANDING BETWEEN BOTH DEPARTMENTS AND THIS EMBASSY, REFTEL'S LACK OF STATE CLEARANCE IS REGRETTABLE. REF (B), WHICH IS NOT THE FIRST EXAMPLE WE HAVE NOTED OF MISUSE OF USDOC CHANNELS, PROVIDES A MIX OF INCORRECT ASSERTIONS,

MISINTERPRETATIONS AND MISLEADING CONCLUSIONS. SIMILARLY INACCURATE AND SLANTED TOWARDS MAKING COMMERCE PARTICIPATION IN FAIR APPEAR UNDESIRABLE IS MEMO DRAFTED BY OIM/AF WHICH PURPORTS TO BE RECORD OF MARCH 18 CONVERSATION WITH OIM OFFICERS AND VISITING EMBASSY ECONOMIC COUNSELOR AND STATE DEPT DESK OFFICER. STATEMENTS MADE IN REF (B) EXPAND ON ERRORS CONTAINED IN MEMO AND SUGGEST SAME SOURCE OF DRAFTING.

3. TO SET THE RECORD STRAIGHT WE WISH TO STATE THE FOLLOWING:

(A) BECAUSE SOME COMPANIES, EITHER WITH SUBSIDIARIES OR AGENTS IN NIGERIA, HAVE CHOSEN TO EXHIBIT OUTSIDE US PAVILION, ONE SHOULD NOT GENERALIZE THAT "US BUSINESS COMMUNITY WISHES TO MINIMIZE CONNECTION WITH US AND USG." MOREOVER, WE WISH AGAIN MAKE CLEAR THAT BEST HOPE FOR PARTICIPATION IN USDOC PAVILION WILL COME FROM FIRMS NOT HAVING SUBSIDIARIES OR LONG STANDING AGENCY AGREEMENTS WITH LARGE LOCAL TRADING COMPANIES.

(B) WHILE FAIR IS OBVIOUSLY MORE SUITABLE FOR EXPERIENCED OLD-TO-MARKET FIRMS (OTM) AND RECRUITMENT OF NTE/NTMS WILL BE DIFFICULT GIVEN STRICT USDOC TERMS OF DEFINITION, LATTER FIRMS SHOULD NOT BE BARRED FROM PARTICIPATION. ALTHOUGH RECOGNIZING LIKELY PROBLEMS TO BE ENCOUNTERED IN DEALING WITH NTE-NTMS AND THE ADVANTAGES OF HAVING OTM LOCAL AGENTS ON HAND TO ASSIST AT FAIR, NO EMBASSY SPOKESMAN, INCLUDING ECON SOUNSELOR, HAS ARGUED THAT NTE/NTMS BE EXCLUDED. WE EXPECT FEW SUCH PARTICIPANTS, POSSIBLY NONE, BUT THEIR PARTICIPATION IS DEFINITELY ACCEPTABLE.

(C) IN WASHINGTON DISCUSSIONS, ECON COUNSELOR CITED NAMES OF FIRMS WHICH HAD "EXPRESSED INTEREST" IN PARTICIPATING IN FAIR, NOT NECESSARILY IN USDOC PAVILION. QUITE UNDERSTANDABLY, INDIVIDUAL FIRMS CANNOT MAKE DECISION TO JOINT IN COMMERCE LIMITED OFFICIAL USE

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EXHIBITION IF THEY DO NOT KNOW WHAT COMMERCE OFFERS AT WHAT PRICE. EMBASSY WAS INFORMED BY CABLE FEBRUARY 11 THAT WE BEING SENT COPIES OF USDOC PARTICIPATION AGREEMENT BUT THESE ONLY RECEIVED ON APRIL 18 AFTER WE SENT IN REMINDER CABLE.

(D) MORE DAMAGING TO AMERICAN BUSINESS INTEREST IN FAIR HAS BEEN LONG SERIES OF WRITTEN AND SPOKEN ARGUMENTS BY OIM/AF AGAINST USDOC INVOLVEMENT IN FAIR. FIRMS HAVE LEARNED OF THIS NEGATIVE ATTITUDE FROM DIRECT CONTACT WITH OIM/AF. THIS HAS CAUSED HESITATION AND UNCERTAINTY AMONG COMPANIES ABOUT PLACING ANY RELIANCE ON USDOC SUPPORT. THE LONGER USDOC OFFICERS DELAY IN DISCUSSING FAIR WITH FIRMS IN POSITIVE UPBEAT TEMS, THE WEAKER THE AMERICAN PRESENCE IN USDOC PAVILION WILL BE. GIVEN THESE FACTORS, OIM/AF SHOULD NOT ASSUME, AS STATED IN REF (B), THAT ANYONE IS "SOLD ON CONCEPT OF USG PAVILION" UNTIL FIRMS MAKE WRITTEN ACCEPTANCE. (WE RECALL THAT THIS WAS COMMERCE-EMBASSY UNDERSTANDING FROM BEGINNING OF OUR DISCUSSIONS ON FAIR.)

(E) WE INTERPRET REF (B'S) REQUEST FOR "CONFIRMATION" OF "US FIRMS IN LAGOS WHICH HAVE MADE DEFINITE COMMITMENTS TO EMBASSY TO BE PART OF USG PAVILION" TO MEAN AN ACCEPTANCE IN WRITING, WITHER

A SIGNED USDOC PARTICIPATION AGREEMENT OR A LETTER SPECIFICALLY STATING INTENTION TO BE IN COMMERCE PAVILION. WE CURRENTLY HAVE NO SUCH WRITTEN STATEMENTS BECAUSE OF THE FEELING OF UNCERTAINTY DESCRIBED ABOVE, BECAUSE WE HAD NO FORMAL AUTHORITY TO RECRUIT UNTIL RECENT RECEIPT OF REF (A) (WHICH ARRIVED AFTER REF B), BECAUSE OF LONG DELAY IN RECEIVING USDOC CONDITIONS OF PARTICIPATION AND APPLICATIONS, AND ABOVE ALL BECAUSE MOST FIRMS ARE OBLIGED TO DEFER TO HOME OFFICE DECISION.

(F) AS ONE OF ITS ARGUMENTS OPPOSING COMMERCE PARTICIPATION IN FARI, OIM/AF HAS STATED THAT THE COSTS OF SENDING REPRESENTATIVES FROM THE UNITED STATES TO WORK AT THE EXHIBITION WOULD BE PROHIBITIVELY HIGH. TO ALLAY CONCERN OVER THESE COSTS WE HAVE POINTED OUT THAT LOCAL REPRESENTATIVES OR AGENTS IN MANY CASES COULD HELP MAN THE DISPLAYS AND THUS REDUCE EXPENDITURES. BUT WE FIND IT DIFFICULT TO SEE HOW REF (B) CAN LOGICALLY CONCLUDE THAT THIS "PLACES THE MAIN BURDEN OF RECRUITMENT FOR THE USG PAVILION UPON THE E/C OFFICERS IN LAGOS." ALTHOUGH WE CONTACTING LIMITED OFFICIAL USE

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ALLSIZABLE LOCAL AGENTS AND DISCUSSING FAIR WITH VISITING COMPANY OFFICERS, BULK OF NOTIFICATION AND RECRUITMENT MUST BE DONE IN US. WE REEMPHASIZE THAT KEY DECISIONS ARE NORMALLY MADE IN US. MANY FIRMS WHICH POTENTIALLY COULD BE PARTICIPANTS HAVE LINKS WITH AGENTS HERE WHO ARE UNKNOWN TO EMBASSY.

(G) TO FACILITATE RECRUITING WE HAVE GIVEN FAIR APPLICATION FORMS AND COMMERCE PARTICIPATION DOCUMENTS TO AMERICAN FIRMS WHO HAVE EXPRESSED INTEREST TO US IN GOING INTO USDOC PAVILION. IN NO CASE HAVE WE GIVEN THESE DOCUMENTS TO COMPANIES WHO HAVE SAID THEY PARTICIPATING OUTSIDE US PAVILION. ASSERTION IN REF (B) PARA 6 IS INCORRECT.

4. EMBASSY HAS CONDUCTED DISCUSSIONS WITH MANAGERS OF EKO HOTEL AND KURAMO LODGE, FIRST CLASS HOTELS WHICH ARE OPERATED BY HOLIDAY INN. THE MANAGEMENT HAS AGREED TO DO ITS BEST TO ACCOMMODATE AMERICAN PARTICIPANTS IN THE FAIR AND BELIEVES IT CAN ASSURE ROOMS IF REQUESTS ARE RECEIVED BY SEPT 15. ACCOMMODATIONS ARE MAINTAINED AT HOLIDAY INN STANDARDS AND ARE THE BEST IN LAGOS; NO BRIBERY OR PRICE GOUGING IS TOLERATED.

5. ALSO ENCOURAGING ARE STATEMENTS MADE BY FAIR DIRECTOR AKANDE AT PRESS CONFERENCE LAST WEEK. HE SAID THAT 500 HOUSING UNITS AT THE RECENTLY COMPLETED FESTAC VILLAGE NEIGHBORING THE FAIRGROUNDS HAD BEEN RESERVED FOR EXHIBITORS. HE ALSO STATED THAT CHILDREN UNDER 14 YEARS OF AGE WOULD BE BARRED FROM FAIR EXHIBITION STANDS AT ALL TIMES.

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